

110TH CONGRESS  
2D SESSION

# H. R. 6249

To establish a direct loan program for providing energy efficiency improvements for single family housing, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2008

Mr. KUHLMAN of New York introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To establish a direct loan program for providing energy efficiency improvements for single family housing, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Helping Home Owners  
5 Make Energy-Efficiency Residential Upgrades Now Act of  
6 2008” or the “H-HOMERUN Act of 2008”.

7 **SEC. 2. RESIDENTIAL ENERGY EFFICIENCY DIRECT LOAN**  
8 **PROGRAM.**

9 (a) ESTABLISHMENT.—The Secretary of Housing  
10 and Urban Development (in this Act referred to as the

1 “Secretary”) shall establish and implement a program to  
2 make direct loans, to the extent amounts are provided for  
3 costs of such loans pursuant to subsection (f), for pro-  
4 viding energy efficiency improvements for single family  
5 housing.

6 (b) USE OF LOAN FUNDS.—A direct loan made  
7 under this section may be made for the costs of the acqui-  
8 sition or installation, or both the acquisition and installa-  
9 tion, as applicable, of any energy efficiency improvement,  
10 including—

- 11 (1) a solar heating system;
- 12 (2) a solar cooling system;
- 13 (3) the application of a residential energy con-  
14 servation measure;
- 15 (4) a photovoltaic energy system;
- 16 (5) a geothermal heat pump system;
- 17 (6) a residential wind turbine;
- 18 (7) a “green roof” (a roof of a building that is  
19 partially or completely covered with vegetation and  
20 soil, or a growing medium, planted over a water-  
21 proofing membrane); and
- 22 (8) any cost-effective energy efficiency improve-  
23 ment eligible to be financed under a mortgage in-  
24 sured under the Energy Efficient Mortgage program  
25 established by section 513 of the Housing and Com-

1 munity Development Act of 1992 (42 U.S.C. 12712  
2 note) and expanded pursuant to section 513(b) of  
3 such Act.

4 (c) LOAN ELIGIBILITY REQUIREMENTS.—

5 (1) CONTRACT REQUIREMENT.—The Secretary  
6 may make a direct loan under this section only if the  
7 Secretary has entered into a contract with a bor-  
8 rower setting forth the terms of the loan.

9 (2) REPAYMENT REQUIREMENT.—The Sec-  
10 retary shall require full repayment of the principal  
11 amount of the loan.

12 (3) INTEREST RATE.—Loans made under this  
13 section shall bear interest at a rate that is—

14 (A) fixed over the term of the loan;

15 (B) at least 2 percentage points less than  
16 the average rate available from a private source  
17 for a comparable loan at the time of the making  
18 of the loan; and

19 (C) subject to such other requirements or  
20 limitations as the Secretary may prescribe.

21 (4) INVESTMENT REQUIREMENT.—A borrower  
22 shall pay on account of the energy efficiency im-  
23 provements for which the loan is made at least 5  
24 percent of the Secretary's estimate of the cost of ac-

1       quisition, installation, or both acquisition and instal-  
2       lation, as applicable, in cash or its equivalent.

3               (5) CREDIT UNDERWRITING STANDARDS.—The  
4       Secretary shall establish credit underwriting stand-  
5       ards to evaluate the eligibility of borrowers to receive  
6       loans under this section.

7               (6) SECURITY FOR LOAN.—The Secretary shall  
8       determine the reasonable value of the interest in  
9       property that will serve as security for a direct loan  
10      made under this section and shall establish proce-  
11      dures for appraisals upon which the Secretary may  
12      base such determinations.

13              (7) REPAYMENT SCHEDULE.—Direct loans  
14      made under this section shall be repaid in monthly  
15      installments.

16              (8) PRINCIPAL RESIDENCE REQUIREMENT.—A  
17      direct loan made pursuant to this section shall be  
18      used only for providing energy efficiency improve-  
19      ments for the principal residence of the borrower.

20              (9) OTHER TERMS.—Direct loans made under  
21      this section shall be subject to such other terms,  
22      conditions, and restrictions as the Secretary may re-  
23      quire.

24      (d) ENERGY EFFICIENCY REQUIREMENTS.—

1           (1) COST-EFFECTIVE ENERGY EFFICIENCY IM-  
2           PROVEMENTS.—The Secretary shall require, for any  
3           energy efficiency improvement for single family  
4           housing for which a direct loan is made under this  
5           section, that the total present value cost of the im-  
6           provement (including any maintenance and repair  
7           expenses) is less than the total present value of the  
8           energy saved over the useful life of the improvement.

9           (2) ENERGY EFFICIENCY DETERMINATION.—

10           (A) DETERMINATION.—For purposes of  
11           paragraph (1), the cost of the improvement and  
12           an estimation of the energy savings of the im-  
13           provement shall be determined pursuant to a  
14           home energy rating report based upon a phys-  
15           ical inspection of the property by a home energy  
16           ratings system, or energy consultant, approved  
17           by the Secretary.

18           (B) QUALIFIED INSPECTION AND DETER-  
19           MINATION.—For purposes of subparagraph (A),  
20           the physical inspection shall be conducted and  
21           the determination shall be made by an indi-  
22           vidual certified by an appropriate national orga-  
23           nization as the Secretary may provide.

24           (e) DEFINITION OF SINGLE FAMILY HOUSING.—For  
25           the purposes of this section, the term “single family hous-

ing” means any residential structure consisting of from 1 to 4 dwelling units.

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There are authorized to be appropriated to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of direct loans under this section such sums as may be necessary for each of the fiscal years 2009 to 2019.

(2) AGGREGATE OUTSTANDING LIMITATION.—

The aggregate outstanding principal balance of direct loans made under this section shall not at any time exceed \$100,000,000,000.

**SEC. 3. HUD ENERGY EFFICIENT MORTGAGE PROGRAM AMENDMENTS.**

(a) COST OF IMPROVEMENTS.—Subparagraph (C) of section 513(a)(2) of the Housing and Community Development Act of 1992 (42 U.S.C. 12712 note) is amended to read as follows:

“(C) COST OF IMPROVEMENTS.—The Secretary shall not establish a maximum limitation on the cost of the cost-effective energy efficiency improvements to be financed by the energy efficient mortgage provided under the pro-

1           gram established by this section and as ex-  
2           panded pursuant to subsection (b).”.

3           (b) INVESTMENT REQUIREMENT.—Section 513(a)(2)  
4 of the Housing and Community Development Act of 1992  
5 (42 U.S.C. 12712 note) is amended by adding at the end  
6 the following new subparagraph:

7                   “(D) INVESTMENT REQUIREMENT.—A  
8           mortgagor shall pay on account of the cost-ef-  
9           fective energy efficiency improvements for  
10          which the mortgage is made at least 5 percent  
11          of the Secretary’s estimate of the cost of acqui-  
12          sition, installation, or both acquisition and in-  
13          stallation, as applicable, in cash or its equiva-  
14          lent.”.

15          (c) COST-EFFECTIVE DETERMINATION.—Paragraph  
16 (2) of section 513(c) of the Housing and Community  
17 Development Act of 1992 (42 U.S.C. 12712 note) is  
18 amended—

19               (1) in the last sentence by—

20                   (A) striking “sufficient for” and all that  
21           follows; and

22                   (B) inserting “based upon a physical in-  
23           spection of the property by a home energy rat-  
24           ings system, or energy consultant, approved by

1           the Secretary.” after “pursuant to a home en-  
2           ergy rating report”; and

3           (2) by adding at the end the following new sen-  
4           tence: “Such physical inspection shall be conducted  
5           and such determination shall be made by an indi-  
6           vidual certified by an appropriate national organiza-  
7           tion as the Secretary may provide.”

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